



TOWN OF NORTH ANDOVER

FINANCE COMMITTEE

Meeting Minutes

Meeting Date: June 5, 2012

Meeting Location: Town Hall, First Floor
Conference Room

Meeting called to order: 6:45

Alan LeBovidge AL, Chairman	X	Ramsey Bahrawy- RB	
Tom Dugan TD, Vice Chairman	x	7: Robert Norbedo-RN	X
		20	
Ben Osgood-BO	X	Matthew Remis-MRem	X
Dan Leary -DL	X		
Peter Besen-PB	X	Pat Sifferlen, PS, Admin	X
Donald Elliot DE	X		

Non FinCom Members in Attendance

OTHERS: - Steve Weisman (SW), John Simons (JS), Ray Santilli (RS), Steve Foster (SF), Mike Denault (MD), Hal Meyers (HM), Bob Morrison (BM), Bob Larochelle (BL)

Note: All FINCOM votes are subject to change upon receipt of new information.

Note: Documents used in this meeting are listed in Document Table, herein.

II. Previous Minutes Approved

DATE May 22, 2012 Approved

III. New Business

AGENDA ITEM: A **John Simons Discussion on Community Preservation**

Discussion:

AL introduces John Simons

JS discusses the list of Community Preservation Funds

First two are top priorities for the Stevens Estate

Restoration of exterior walls for \$206,200

Window replacement \$101,3000

Discussion on the 623 Osgood Street Land 15 acres for 1.4 million. This portion connects a lot of town open space enhances the value of Osgood Hill, preserves the meadow, if down doesn't buy will be up for development also with purchase we will be able to put parking lot on Osgood Street which is included in price.

No other discussion on rest of list.

BO will recues himself from the Ridgewood Cemetery restoration of the Main Gate

Motion Taken by PB to vote favorable action on Ridgewood Cemetery

Restoration seconded by DL

Vote Taken 6 Y 0 N

Motion taken by BO to vote favorable action on rest of list of appropriations for Community Preservation seconded by DL

Vote Taken 7 Y 0 N

Al How much money is in the preservation fund?

JS As of FY12 there is 3.8 million uncommitted funds. I will send you a spreadsheet.

By the end of FY 13 with CPA surcharge and match funds there will be 5.6 million available and will be using 2.7 million

AGENDA ITEM: B Discussion on Article 26 ESCO

Discussion: RS believes there were still some unanswered questions that Fincom had and would like to introduce some of the Ameresco representatives.

RS passed out a list of questions (attached) he believed Fincom had.

PB If someone has a financial interest how are they considered an independent representative of the town?

Rs The person represents the town's interest they will act as our project manager.

BO Does the town pay Peregrine?

SW the town does pay Peregrine out of the PW budget since spring of 09 they have paid 15K

On this particular project net after rebate does not include Peregrine fees.

Question 2 Discussion

PB all the cost of software and maintenance of equipment, you are guaranteeing with the 30K a year maint cost?

BO when would you go to Bond?

AM: 6-9 months after beginning of work we are using conservative approach with the 2.75% rate cash flow could be considerably higher if rate is lower. Will use existing cash flow before we bond money.

Question 3

Town could do this under chapter 149 law but the town would not be able to accomplish under a reasonable period of years. Town will have to Bond and pay for the work rather than having energy savings pay for work.

AL With the cost of particular items would it be cheaper by the town to do separately instead of bundling with a 20% mark up.

AM bundling 4 million work difference in profit margin goes away.

AL if some of these projects were a high priority why weren't they on the CIP list.

Would the CIP go down?

RS we get 40 or 50 Cip requests a year. we don't fund them all we do a scoring system

TD: have any of these been on the list and where did they score.

RS No we usually wait for something to fail. We don't do a proactive approach.

Question 4 no discussion

Question 5 Fire Station and other projects were removed from list

Question 6 no discussion

Question 7 no discussion

Question 8 Discussion

SW this contract was based on qualifications not low bid even though Ameresco was the lowest bid.

Question 9 Discussion

Lighting payback is slightly higher because the town has already done some level of light upgrade.

Question 10 Discussion

DE my concern was the repair and upgrade of steam systems

SW if we had unlimited savings we would replace steam system given cash flow this was avoidable.

TD or we use CIP and prioritize to replace steam systems.

Question 11 No discussion

Question 12 Discussion

RS these projects were dollar based. Would have to be within the cip guidelines

Put out to bid and #'s came in higher than what was appropriated.

Question 13 Discussion

Will completely abide by the vote of Town Meeting. Will pay Ameresco 39K and say Thank you

Question 14 Discussion

AL any towns that are like us doing these projects?

RS Scituate Each town(14) within the MVPC can use Ameresco Bruce Thibedeau did the scoring for us

SW If you put more towns together you get a more competitive bids.

AGENDA ITEM: B Con't

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BO Can you run through how we do savings.

RS an example would be if Middle School had a 200K a year utility budget and they will save 20K from projects. In FY14 their budget would still be 200k for utilities but 20K will be separately allocated for bonding. If Middles School sees 30K savings 20K would go to bonding and 10K would go back to their budget.

Td Why wouldn't extra go to bonding?

RS what if they don't receive 20K in Savings?

TD Ameresco would be writing us a check.

If we don't make savings when would town receive check?

Payment is done upon completion

[illegible]

